

Project Charter  
Capelli

DATE: June 27, 2005  
TO: Ellie Saliba  
CC: Jeff Ploshnick, Bernard Khoury, Eric Forgo  
FROM: Jon Lee

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## 1. Purpose

The goal of the project charter is to provide Capelli, Inc. with an overview of the required activities for the implementation of Axapta as part of Capelli's overall goal to upgrade the existing ERP system by 3/31/06. This charter is a guide for the project and establishes and clarifies boundaries. All activities undertaken within this project must be consistent in accordance with this document.

This charter is a living document and, as such, is subject to modification of the objectives or boundaries should they change. Modifications to the charter will require formal review by the project sponsor, project manager and/or steering committee.

## 2. Project Assumptions and Constraints

### Assumptions:

- (C.) Axapta will be implemented 3/31/06 utilizing out of the box with core functionality as required.
  - Capelli will allocate appropriate staff to ensure the project will meet stated goals and timelines.
  - Items identified as "Out of Scope" will follow the identified change management process for evaluation.

### Constraints:

- Staff – Appropriate time must be allocated to support Axapta project activities to meet current timeframes. Capelli will assign a project manager and three fulltime staff to support project activities.

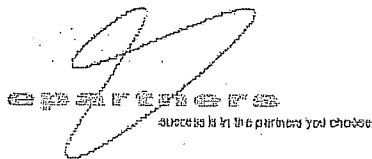
## 3. Project Sponsors

- Capelli – Ellie Saliba, CIO
- ePartners – Eric Forgo, Regional VP, PSO

## 4. Charter Structure

The charter document describes:

- Project Objectives
- Assumptions/Constraints
- Project Approach
- Project Timeframes
- Project Milestones and Deliverables
- Roles/Responsibilities
- Contact List
- Communication Plan



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### 5. Project Objectives

The project objectives are:

- Deploy Axapta by 3/31/06.
- Build a cross functional unified team for implementation in the U.S.

### 6. Project Approach

To meet the goal of implementing Axapta by 3/31/06, several activities are required to be performed as parallel activities in the planning phase of the ePartners' Project Management Methodology. The Business Process Verification and Validation (VnV), Infrastructure Analysis and the Project Management activities will begin during the Origination phase of the project. During VnV, key team members of the Capelli Unified Project Team (SuperUsers) will be required to become familiar with the fundamentals of the Axapta application. Immediately after completion of the training, Capelli team members will work with ePartners and conduct extensive module configuration and design sessions. Upon completion of the design, unit testing and integrated testing will begin. The success of the project is built around the integrated test, also know as User Acceptance Testing, (UAT). The UAT will simulate live system transactions and requirements by running actual scenarios and live data through the system.

The following activities will occur during testing:

- ePartners will train Capelli team members on how to write scripts.
- Capelli team members will write and test scripts during unit testing with the assistance of ePartners Subject Matter Experts (SMEs).
- Capelli team members will be trained on integrated script development by ePartners.
- Integrated scripts testing will be completed and any gaps will be identified and workarounds and/or configuration changes will be made to the Axapta application to close any identified gaps. If configuration changes or workarounds can not be made to close gaps and a customization requirement is identified that is out of scope, a change request will be submitted to the change committee for review.
- Upon completion of testing, testing closure document will be completed.

### d 7. Project Timeframes:

- Originate (6/28/05 – 8/15/05)
- Planning (8/16/05 – 12/8/05)
- Construct (12/9/05 – 3/4/06)
- Deploy (3/5/06 – 4/7/06)
- Close (4/8/06 – 5/1/06)

### 8. Project Milestones and Deliverables:

#### Milestones

Milestone	Date
Infrastructure Assessment	Week of July 11
Completion of Business Process VnV	Week of Aug 1
Begin Key User Training	Week of Aug 1
Begin Module Configuration	Week of Nov 15
Completion of User Training	Week of Sept 15
Completion of Testing	Week of Feb 15



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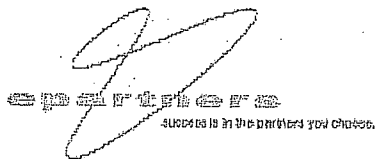
Go Live	Week of Mar 31
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Deliverables

Milestone	Date
Training Plan	Week of Aug 1
Project Charter	Week of Aug 1
Gap-Fit Documents	Week of Aug 1
Scope Document	Week of Aug 1
Data Migration Plan	Week of Sept 1
Test Plan	Week of Oct 1
Test Results	Week of Feb 15

9. Roles & Responsibilities

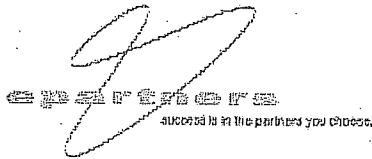
Name (Phone Number)	Role	Responsibilities
<b>Capelli Team</b>		
Ellie Saliba Capelli <a href="mailto:elie.saliba@capellinewyork.com">elie.saliba@capellinewyork.com</a>	Sponsor	<ul style="list-style-type: none"> <li>Executive contact for the project</li> <li>Provides ultimate/final sign off on project deliverables</li> </ul>
Bernard Khoury Capelli <a href="mailto:bernard.khoury@capellinewyork.com">bernard.khoury@capellinewyork.com</a>	Project Manaber	<ul style="list-style-type: none"> <li>Capelli contact for project.</li> <li>Works with project team to plan and coordinate project activities.</li> <li>Responsible for setting project schedule, communicating project status, facilitating change requests.</li> </ul>
<b>ePartners Team</b>		
Eric Forgo ePartners <a href="mailto:eforgo@epartnersolutions.com">eforgo@epartnersolutions.com</a>	Project Sponsor	<ul style="list-style-type: none"> <li>Executive contact for the project.</li> </ul>
Jon Lee ePartners <a href="mailto:jlee@epartnersolutions.com">jlee@epartnersolutions.com</a>	Project Manager	<ul style="list-style-type: none"> <li>Main contact for project.</li> <li>Works with project team to plan and coordinate project activities.</li> <li>Responsible for setting project schedule, communicating project status, facilitating change requests.</li> </ul>
Jeff Ploshnick ePartners <a href="mailto:jploshnick@epartnersolutions.com">jploshnick@epartnersolutions.com</a>	Sr. Consultant	<ul style="list-style-type: none"> <li>Responsible for the integration of Axapta.</li> <li>Primary onsite contact for ePartners.</li> </ul>



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10. Contact List

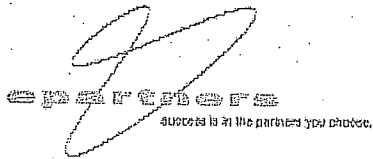
Name	Role	Location	Phone	eMail
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11. Communication Plan

What	When/Frequency	Media/Output	Responsible	Audiences		
				Sponsor	Project Team	Who?
Project Kickoff	Initial 6/27	Meeting	Project Manager	Approve	Receive	Unified Project Team/Steering Committee
Project Plan	Initial 7/5	Document	Project Manager	Approve	Receive	Unified Project Team/Steering Committee
Team Meetings	Weekly	Meeting/Conf Call	Project Team		Receive	Unified Project Team
Sponsor Communication	As Required	Document/Email	Sponsor	Approve	Receive	ALL
Steering Committee Meetings	Monthly	Meeting/Conf Call	Steering Committee		Receive	Steering Committee
Project Status Reports	Weekly	Email	Project Team	Receive	Receive	Unified Project Team
Major Milestone Announcements	As completed	Email	Project Manager/Sponsor	Receive	Receive	Unified Project Team/Steering Committee
Project Management Docs	As complete	Docs/email	Project Manager/Sponsor	Approve	Approve /Receive	ALL
Training Plan	As completed	Docs/email	Project Manager/Sponsor	Approve	Approve /Receive	ALL
BPA Docs	As completed	Docs/email	Project Manager/Consultants/Sponsor	Approve	Approve /Receive	ALL
Design Docs	As completed	Docs/email	Project Manager/Consultants/Sponsor	Approve	Approve /Receive	ALL
Project Close Out Report	End of Project	Document	Project Manager/Consultants/Sponsor	Approve	Approve /Receive	ALL



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12. Signature Block

Reviewed and Approved:

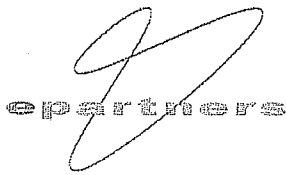
Capelli

Signature	Date	Title
Elle Saliba		
Printed name		

ePartners

Signature	Date	Title
Jonathan Lee		
Printed name		

Signatures above denote acceptance of the Project Charter as defined herein.



January 24, 2006

Hi George,

ePartners remains committed to Capelli and the partnership established seven months ago. Our opinion is that Axapta is precisely the right ERP platform to support your business based on the work of the combined ePartners / Capelli project team. We have heard the concerns that you and members of your team have raised. For the sake of brevity, we have bullet-pointed responses to the primary issues addressed as well as providing more detailed responses to the email sent last week. We will follow up with direct discussion.

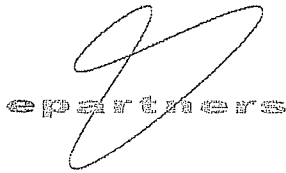
- ePartners is responsible for the overall solution to be deployed at Capelli.
- We are supplementing the ePartners project team with three additional Axapta resources.
  - Project Manager (Mario Herbert)
  - Production Consultant (Bobby Bain)
  - Development / Application Consultant (Kim Tan)
- We have received notice from Capelli that you would like Victor Pepi and Aryanti Warsito removed from the project. After a transition of knowledge to new team members, they will be moved to the background of the project to a learning/support capacity. We would like to work with Elie to effect a smooth transition.
- Axapta Practice Management will complete a monthly project quality assurance review (Par Stromblad). Part of this review will focus on F&A apparel specific Deployment Methodology which will allow future engagements and sales in this space to be more efficient/effective.
- ePartners Professional Services Management (Dave Dickey, Senior VP of Services) or his designee, when not available, will hold a brief weekly call with you (or members of the original Steering Committee) to monitor project progress.
- ePartners will hire a Subject Matter Expert. We have a candidate that we would like you to meet asap.
- ePartners will convey F&A specific functionality requirements through its participation in MS Industry Builder program and apprise Capelli of developments.
- ePartners will include Capelli in monthly meetings (organized by Keil Merrick, eP NY) with the NY-based Microsoft SMS&P/CAS team to discuss trends in the F&A market, specific opportunities to jointly work, marketing plans, and deployment capability.
- ePartners is continuing work exclusively on system Design and remains very confident that Axapta will meet system requirements. At a mutually acceptable date(s), ePartners will present its Design for sign-off to Capelli fulfilling a Service Order Milestone.

We are well aware that for Capelli to achieve its project and co-marketing goals there is a platform for success under which Capelli, ePartners, Microsoft, and third-party vendors stand as the four pillars. Our *joint* focus and *exclusive* effort has been progress on the Axapta deployment at Capelli so that we have something tangible to show the marketplace. — As we close to gain acceptance of Design, all of the other activities, such as marketing plans and lead generation, related to our joint efforts become relevant and will receive increased focus.

We look forward to talking with you.

Best Regards,

Eric



**ePartners, Inc.**  
**Response to Capelli Concerns dated January 16<sup>th</sup>, 2006**  
**January 24, 2006**

1. Preparation - Flexibility on timing and schedule: For example: In multiple times the team is half ready and they are going to the meeting because it is in their schedule. This is causing loss of trust and confidence.

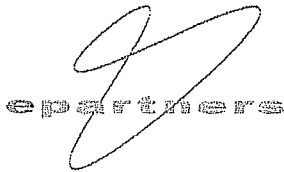
Response: We concur that each meeting should have an agenda with proper expectations set and specific objectives to accomplish. Everyone's time is valuable and proper preparation by both the presenter and those attending the meetings are critical. I will re-emphasize these points to ePartners team and ask that the same be done to the Capelli team. Our understanding of the preferred approach is to cancel the meeting (hopefully with advance notice) rather than have a meet while being partially prepared or un-prepared. – An area where ePartners must be prepared is around review of information previously gathered or discussed over the life of our relationship. Specific area of preparation for the Capelli team is around knowledge of Axapta menus, drill downs, and forms. Knowledge of each of these is available in the test environment to all designated Super/Key Users.

Also in relation to meetings, our observation is that they rarely start at the scheduled time and with fewer participants than originally sign-up for the established meet (note test script process). The result is that we (and I include the IT Team) often have to repeat and re-communicate the same message multiple times to staff causing significant inefficiency.

2. The leader of the overall solution has to know the detail of the solution's articulation. For example: the Item is the base of the system and knowing the functionality will avoid big surprises and catastrophe.

Response: Agreed. This goes directly to a focus on the Design and was to be the primary discussion point for the Steering Committee meeting. As Elie and I have discussed, we are not experts in your business, however, we do endeavor to learn more and work through a process and methodology that allows us to have a base of knowledge such that we can configure the system properly. The hiring of a Subject Matter Expert both would have helped and is reflected in our commit above. The VnV was part of that process as will the RDD's.





3. The Leader has to listen and take all the questions as advantage to learn. For example: All questions have to be heard and answered to the satisfaction of the person asking the question.

Response: Agreed. Each interaction is an opportunity to build our knowledge base about the business from the questioner's perspective.

Similarly, as the ePartners team imparts knowledge about the system, its configuration, functionality, and structure, the Capelli team has the opportunity to learn and then document. – Between the IT team and the eP team we must figure out how to impart comprehensive information once rather than partial information multiple times to increase efficiency.

4. Verification that the deliverable list is known by the epartners team. For example: GMA is expecting a solution for the pack and the pack is lightly known by the functional area person.

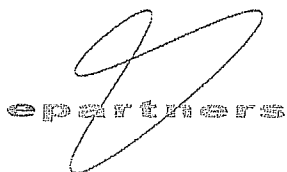
Response: As I discussed with Bill and Elie last week, I have the first draft of the Master Design Document. We are in the process of tracking back all the requirements articulated in the Master Service Order through to the VnV and Gap List. – Since I was in attendance at the meeting generating the comment above, I share the concern on that point around depth of knowledge. With a focus on Design, we will expose any other knowledge gaps within an agreed to timeframe.

5. Verification that the team has enough knowledge about GMA business so they can bring the right solution. For example: the Multi store orders are grouped today under one order and this is a mandatory to be kept due to the volume of orders. Team expects that GMA will change their process without the leader understanding that we have large volume that will create a lot of work in the future for GMA.

Response: The ePartners team will never know as much about Capelli's business as the Capelli team. This is an area where the ePartners team is building its knowledge base daily by working with the Capelli team. We do have a significant base of knowledge and documentation and as such are developing a Design. The Design will be reviewed by Capelli to assure mutual understanding. – Additionally, as referred to above, ePartners is hiring a Subject Matter Expert to complement the team.

6. Verification of the Team readiness to act as consultant. For example: While doing test script the epartners functional area person should be able to answer basic test scripts which is not always the case.

Response: I believe that the team *has* been able to answer basis test script questions. We have three levels of difficulty of test scripts



and there may be open questions from the test script process that relate directly to Open Gaps / Customizations. Of these Design related question there may be, as should be the case, questions arising.

7. The communication of the knowledge and the solution. For example: The preliminary design is considered finished by ePartners but GMA Super Users understand vaguely the solution even after multiple demo and meeting.

Response: Our entire focus from the Steering Committee meeting forward is on Design such that the team understands the approach/solution we are jointly developing.

8. Quantify the work remaining on the project. For example: The balance of the work has to be identified and quantified first. Then a plan needs to be put in place with the resources in the first step.

Response: Capelli has in its possession a resource schedule that is contingent upon finalization of Design. The schedule gives a very broad order of magnitude of effort for the team and the underlying assumptions. This was reviewed with Elie on the 17<sup>th</sup> and he and the team will continue to review to set expectations properly. The time may be high and may be low depending on the approach that Capelli takes to the implementation. - Upon completion of Design the final plan to complete will be established. - ePartners has a resource schedule that goes in parallel with the schedule mentioned above.